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C O N F I D E N T I A L BANGKOK 005504

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E.O. 12958: DECL: 10/19/2017

TAGS: MARR MCAP PGOV PREL TH

SUBJECT: THAILAND TO DIVERSIFY FIGHTER JET INVENTORY

Classified By: Ambassador Ralph L. Boyce, reasons 1.4 (b)
and (d)

¶1. (C) Summary. The Royal Thai Air Force (RTAF) this week decided to purchase SAAB Gripen fighter planes to replace aging F-5 aircraft. The decision to purchase the Gripens, and not F-16s, was publicly justified by the RTAF due to an urgent need to replace the F-5s and by pointing to U.S. post-coup sanctions as prohibiting F-16 purchases by the RTG.

The Ambassador called Ministry of Foreign Affairs (MFA) Permanent Secretary Virasakdi Futrakul to clarify U.S. policy. End Summary.

THAI TO FLY GRIPEN

¶2. (U) The Royal Thai Air Force (RTAF) Commander-in-Chief Air Chief Marshall (ACM) Chalit Phukphasuk October 17 publicly announced plans to buy twelve JAS-39 Gripen fighter jets from Sweden's SAAB to replace aging F-5E aircraft. Chalit said the RTAF would purchase the first lot of six Gripens and a SAAB S-1000 Erieye Airborne Early Warning aircraft by 2011, with a second lot of the same composition of aircraft by ¶2017. The projected purchase price is 34.4 billion baht or approximately one billion US dollars. The RTAF has been seeking a replacement for F-5 aircraft since 2004 with the Lockheed F-16 and the Sukhoi Su-30 also in consideration.

RTAF FUTURE PLANS

¶3. (C) Post understands that the Gripen can carry several U.S. munitions currently in the RTAF inventory including air-to-air missiles and precision guided munitions. The Gripen can also utilize weapons from Israel, South Africa and Europe. We anticipate future RTAF purchases of new fighter jets or a Mid-Life Update (MLU) update of existing F-16s.

¶4. (C) We understand that the USAF will soon deliver updated MLU pricing for F-16s but Post has received indications from the RTAF that, after the decision to purchase Gripens, there will likely be less money available for a MLU or other purchases. We have also heard that the RTAF may seek an inexpensive upgrade for their F-16s, which could include offers by Israeli firms.

RTAF PERCEPTIONS

¶ 15. (C) After the decision to purchase Gripen, Thai press reported RTAF sources as saying post-coup sanctions prohibited Thailand from purchasing F-16s. The Ambassador called Ministry of Foreign Affairs (MFA) Permanent Secretary Virasakdi Futrakul October 18 to clarify that the U.S. had not imposed sanctions specifically targeting F-16s and to push the RTG to rectify these reports. Virasakdi committed to devise a plan for the RTG to correct the inaccurate reports. We have also provided correct information to journalists who have queried us.

¶ 16. (C) Press reports quote ACM Chalit as defending the deal by saying that Thailand urgently needs to replace F-5 fighters and by depicting a time consuming process to purchase F-16s. In discussion with Post, RTAF sources have alluded to a delay in an avionics upgrade for Thai C-130s and frustration with slow turnaround on third party transfers for U.S.-sourced defense articles as contributing factors to the perception that purchasing from the U.S. is a slow process.

COMMENT

¶ 17. (C) We believe the best response to the decision is to focus on future RTAF modernization requirements in order to encourage consideration of U.S. military equipment, including for the Gripen. In addition, there is a possibility that the deal might not go through. The Royal Thai Army's recent decision to purchase Ukrainian armored personnel carriers has been blocked by the Defense Ministry due to questions raised within the Ministry and by the Office of the Auditor-General about the bidding process and suitability of the vehicles. We believe that attempting to overturn the RTAF decision would backfire; a less confrontational approach will keep us better positioned for the long term.

BOYCE